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REDCO PROPERTIES GROUP LIMITED

力高地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1622)

PROPOSED SPIN-OFF AND SEPARATE LISTING OF REDCO HEALTHY LIVING COMPANY LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

BASIS OF ASSURED ENTITLEMENT OF QUALIFYING SHAREHOLDERS IN THE PREFERENTIAL OFFERING AND ADDITIONAL INFORMATION FOR PRC STOCK CONNECT INVESTORS

The basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Redco Healthy Living Shares in the Preferential Offering, if and when made, has been determined.

The basis of the Assured Entitlement is one (1) Reserved Redco Healthy Living Shares for every integral multiple of 850 Shares held by Qualifying Shareholders as at 4:30 p.m. on Friday, March 18, 2022, being the Record Date.

INTRODUCTION

Reference is made to the announcements of the Company dated June 9, 2021 and March 7, 2022 (the “**Announcements**”) in relation to the Proposed Spin-off. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

BASIS OF THE ASSURED ENTITLEMENT OF THE QUALIFYING SHAREHOLDERS IN THE PREFERENTIAL OFFERING

The basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Redco Healthy Living Shares in the Preferential Offering, if and when made, has been determined.

The basis of the Assured Entitlement is one (1) Reserved Redco Healthy Living Shares for every integral multiple of 850 Shares held by Qualifying Shareholders as at 4:30 p.m. on Friday, March 18, 2022, being the Record Date.

The Assured Entitlements of the Qualifying Shareholders to the Reserved Redco Healthy Living Shares are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying Shareholders may apply for a number of the Reserved Redco Healthy Living Shares which is greater than, less than or equal to their Assured Entitlements or may apply only for excess Reserved Redco Healthy Living Shares under the Preferential Offering.

A valid application for a number of the Reserved Redco Healthy Living Shares which is less than or equal to a Qualifying Shareholder’s Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions of the Preferential Offering.

Where a Qualifying Shareholder applies for a number of the Reserved Redco Healthy Living Shares which is greater than the Qualifying Shareholder’s Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied in full (subject to the terms and conditions as mentioned above) but the excess portion of such application will only be met to the extent that there are sufficient available Reserved Redco Healthy Living Shares not taken up by the Qualifying Shareholders as their Assured Entitlements under the Preferential Offering. Details of how such excess portion will be met will be further described in the prospectus of Redco Healthy Living (the “**Prospectus**”).

Qualifying Shareholders who hold less than 850 Shares on the Record Date and therefore will not have an Assured Entitlement to the Reserved Redco Healthy Living Shares will still be entitled to participate in the Preferential Offering by applying for excess Reserved Redco Healthy Living Shares only. Such application will only be satisfied to the extent that there are sufficient available Reserved Redco Healthy Living Shares not taken up by Qualifying Shareholders as their Assured Entitlements under the Preferential Offering.

If the Preferential Offering proceeds, details of the Preferential Offering, including the terms and conditions for applications (including excess applications) for the Reserved Redco Healthy Living Shares under the Preferential Offering, will be set out in the Prospectus and the accompanying blue application form.

ADDITIONAL INFORMATION FOR PRC STOCK CONNECT INVESTORS

As the Shares are eligible stock for southbound trading under the Shenzhen-Hong Kong Stock Connect but are not eligible stock under Shanghai-Hong Kong Stock Connect, the Company would like to provide additional information for the investors trading and potential investors who may trade in the Shares through the Shenzhen-Hong Kong Stock Connect (the “**PRC Stock Connect Investors**”). Pursuant to Article 23 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland China-Hong Kong Stock Markets Connect Program (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》), China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) does not provide services relating to the subscription of newly issued shares. Accordingly, the PRC Stock Connect Investors cannot participate in the Preferential Offering and will not be able to take up their respective Assured Entitlement to the Reserved Redco Healthy Living Shares under the Preferential Offering through the trading mechanism of Shenzhen-Hong Kong Stock Connect.

As the size and structure of the Global Offering have not yet been finalised, the basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Redco Healthy Living Shares in the Preferential Offering set out in this announcement is subject to change. In the event that there is a change in the basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Redco Healthy Living Shares in the Preferential Offering, a further announcement will be made by the Company.

GENERAL

In connection with the Global Offering, the price of the Redco Healthy Living Shares may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be disclosed in the Prospectus.

The Proposed Spin-off is subject to, among others, the approval of the Stock Exchange for listing of, and permission to deal in, the Redco Healthy Living Shares and the final decision of the Board and of the board of directors of Redco Healthy Living, which are dependent upon, among others, market conditions and other considerations. Accordingly, the Proposed Spin-off may or may not occur. Shareholders and other investors should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off as and when appropriate.

On behalf of the Board
Redco Properties Group Limited
Wong Yeuk Hung
Chairman

Hong Kong, March 10, 2022

As at the date of this announcement, the executive directors of the Company are Mr. Wong Yeuk Hung JP, Mr. Huang Ruoqing and Mr. Tang Chengyong; and the independent non-executive directors of the Company are Mr. Chau On Ta Yuen SBS, BBS, Dr. Tam Kam Kau GBS, SBS, JP and Mr. Yip Tai Him.